- Hauser to exit top post at Warner Amex
- Western Show wrap-up
- More on MCI and Cox Cable voice venture
- Reaction to copyright rate hikes

CableVision™

The news and features weekly of the cable television industry December 6, 1982 $3.00

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John Saeman, Daniels & Associates CEO, and Spencer Kaitz, CCTA president, exchange views at last week's Western Show.

Saddle sores

With arrows in their backs, Western Show-goers weary from a dozen other industry conventions this year, nevertheless had some innovative and sometimes radical outlooks on the maturing cable industry. **Leading the week, pages 13-16.**

Hauser exiting

Warner Amex's chairman and CEO for the past 10 years says he will step down after a successor is found. Warner Communications Inc. and American Express reportedly are evaluating recruitments for Hauser's post. Also, industry leaders, Hauser's peers, look back at Warner Amex achievements under Hauser—QUBE, cable emergency, pay-per-view and subscription TV. **Leading the week, pages 13-16.**

CATV phone home

MCI Communications wants to cut its costs of interconnecting with the Bell system by linking with interactive cable systems. The prospect could raise regulatory questions. **Leading the week, pages 13-16.**

Industry's CRT attack

Cable operators scramble to beat Jan. 1 implementation of higher royalty fees ordered by Copyright Royalty Tribunal. **Leading the week, pages 13-16.**

TCI-CNN link

TCI signs deal with CNN for spot on national tier. **Leading the week, pages 13-16.**

Texas leaguer

Warner Amex soon will announce plans for a Houston-area regional sports channel. **Leading the week, pages 13-16.**

Group W grade A

Malarkey-Taylor rates Group W best to build the 193,000-home Area 3 franchise in Chicago. Cablevision Systems is ranked a close second. **Leading the week, pages 13-16.**

Detroit bids

Cox Cable will build, operate and manage the costly Motor City franchise if a minority-controlled joint venture wins it. Analysts say cost may discourage other MSOs from bidding. **Leading the week, pages 13-16.**

Revamped strategy

GalaVision abandons 'conservative' marketing approach to increase its 100,000 subscriber base and distinguish itself from SIN. **Page 21.**

In the spirit

Companies prepare holiday promotional packages and charity programs to generate revenue and express goodwill. **Page 25.**

Fiberoptic reality

Times Fiber will build an $8 million fiberoptic cable system in Alameda County, Calif., a signal that the new technology may be viable. **Page 26.**

Convention wrap-up

Western Show panels tackled a wide range of topics, from packaging for cash to franchise woes, with some provocative and enlightening results. **Pages 57-60.**

Sacrificial offers

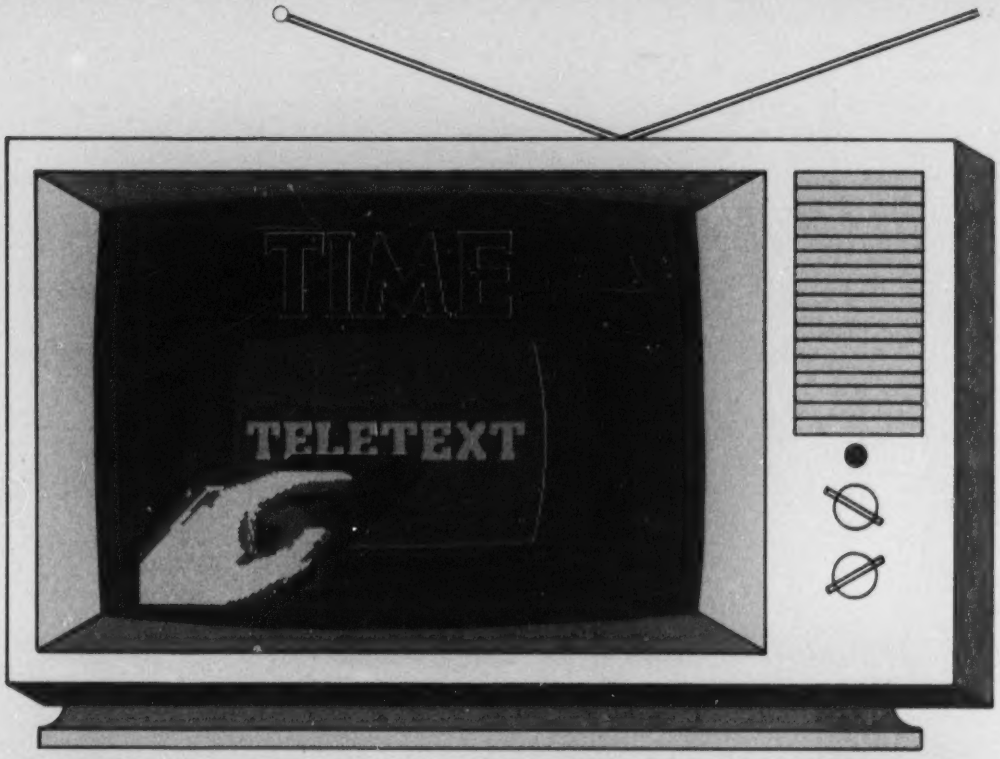
CCTA's Anna Marie Hutchison urges Western Show audience not to sacrifice sound business practices in refranchising bids. **Page 57.**

Western Show news

Manufacturers and suppliers of hardware and service implementation used the Western Show as a forum to announce new products and services and to strike agreements. **Page 65.**

About the cover

Group W's Chairman and CEO Dan Ritchie delivers keynote address at the 14th annual Western Show in Anaheim, Calif. Photo by Rob Stuehrk.



Setting the videotex stage

By David Stoller

When 1990 rolls around, will you be reading a newspaper or watching a videotex screen? Analysts plot and predict the industry's future

photo courtesy CBS

'It is inconceivable that man will not make the fullest possible use of a medium which bridges the distance between himself and the objects of his interest.'

RCA Chairman David Sarnoff, as quoted in a speech by Larry Pfister, Videotex Industry Association chairman.

A curious button was circulated at Videotex '82 this June in New York. The button was the work of Gary Arlen, president of Arlen Communications, one of the leading videotex and teletext analysts. It read, "1990, I can't wait."

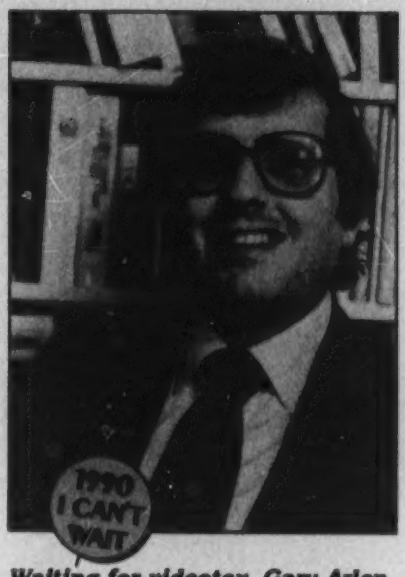
Nearly every attendee was seen sporting Arlen's creation at some point during the three-day conference. Many smiled as they put it on. Others wore it proudly, like a medal won in battle. A few people wore more than one.

These optimists believe the button's message, agreeing with Arlen's and others' prediction that 1990 will be the year that videotex will begin to make money. That year, it is hoped, will usher in a Golden Age of interactive television services, including home banking, shopping and other information marvels. But not everyone is so confident about the moneymaking potential of videotex and teletext services.

In fact, most analysts believe it is impossible to predict accurately how big the consumer market for videotex and teletext will become. Until these services are offered commercially, no one will place a bet that 1990 is going to be a year worth waiting for. (Note: Teletext is generally one-way transmission of graphics and text, primarily through a broadcast medium. Videotex is two-way graphics and text transmitted through phone or cable medium or through a combination of the two.)

Predictions on the market size for videotex services in 1990 range from as little as $1 billion to more than $10 billion. That range is so large that some analysts argue any predictions are ludicrous at best, especially during the next few years, when most of these services still will be in test phases.

To better understand the marketplace and to attempt to answer the question of when money will be made in videotex,



Waiting for videotex. Gary Arlen expects that the '90s will bring on the golden age of videotex, and that the main buyers of teleservices will be children now growing up in homes with personal computers.

CableVision interviewed the leading analysts in the field today. These analysts include Wall Street stock analysts and market researchers from businesses and universities.

Contradictions

For every point on which the analysts interviewed agree, there is a related point on which they disagree. First, they say that a videotex market will develop and will be viable. They differ, however, on which companies and which types of services will make it in the marketplace and when.

Analysts agree that cable television and the telephone industry will share in the money to be made from videotex. They disagree, however, on the size of cable's and telephone's share.

A third point of agreement is that the personal computer market—which has rapidly grown to around two million units in only a few short years—will play a major role in heightening consumer awareness and demand for videotex-like services. However, analysts disagree on whether videotex suppliers should go directly after the personal computer market. Some suggest that it would be "crazy" for videotex suppliers, especially those with telephone-based distribution systems, to ignore this marketplace. Others suggest that at some point, all videotex-like markets will overlap.

Small changes

The same issues that dominated Videotex '82 continue to loom the largest, although some small but potentially significant changes have occurred in the marketplace since then.

Key issues include establishing technical standards for both teletext and videotex and discerning what mix of services consumers will accept.

The legal questions surrounding a broadcast teletext standard and the use of the vertical blanking interval are ostensibly being left to the marketplace to resolve. The FCC has backed away from imposing either a technical broadcast teletext standard or a videotex standard. And the court decision in the *United Video vs. WGN* case over the VBI is not thought by analysts to have a deep effect on the teletext marketplace.

Rick Neustadt, a Washington, D.C., lawyer and consultant, suggests that three regulatory issues will effect the growth of videotex:

Some current teletext/videotex tests

Company	Type	Graphic Standard	Delivery Method	Subscribers	Sub Costs	Content	Advertising
Time Inc.	teletext	Telidon	full channel cable	400 homes in San Diego, Ca., Orlando, Fla.	$5-10 mo. (proposed)	5,000 pages news, weather, sports, travel, arts, entertainment	Yes
Times Mirror	videotex	Telidon	two-way cable and telephone lines	350 homes in Mission Viejo, Ca., Palos Verdes, Ca	NA	23,000 pages news, weather, sports, education, banking, shopping, messaging, games	Yes
Knight-Ridder/ AT&T	videotex	PLP/ Prestel	telephone lines	204 homes, Coral Gables, Fla., 1980-81; commercial operation in south Fla. starting July 1983	$25 mo. (expected)	75,000 pages* news, weather, sports, consumer information, banking, shopping, messaging, games	Yes
CBS/AT&T	videotex	modified PLP	telephone lines	200 homes Ridgewood, NJ	NA	6,000-8,000 pages news, weather, sports, financial information, banking, shopping, messaging, games	Yes
Keycom Electronic Publishing	teletext	Prestel	cable, via VBI of WTBS, Atlanta	Goal: 1 percent of WTBS subscribers by early 1985 (200,000 Homes)	$19.90/ mo	100 pages news, weather, sports, entertainment	
Cox Cable	videotex	Indax (alpha mosaic)	Two-way cable	300 homes San Diego, Ca., 100 Homes Omaha	$5.95 (proposed)	7,500 pages news, information, banking, shopping	No

*For commercial launch

standards, must-carry rules and local telephone prices. Standards, says Neustadt, will be fought out in the marketplace; the FCC soon will rule on must-carry and local telephone prices in the post-divestiture period are still uncertain.

Several analysts contend that the North American Broadcast Teletext Standard, endorsed by nearly every major broadcast and cableteletext experimenter, will become the *de facto* teletext standard in this country. Analysts also believe that a version of the AT&T-designed Presentation Level Protocol for videotex eventually will become the U.S. standard, even as soon as next year.

Versions of PLP now dominate every major videotex or cable-teletext test, including those from Times Mirror, Time Inc., CBS and Knight-Ridder. The latter two are partnered with Ma Bell in their experiments.

Another reason analysts suggest PLP will become the U.S. standard is the departure in October of British Videotex and Teletext from serious marketing of its Prestel standard in this country. The BVT has left the U.S. market for all intents and purposes, analysts agree.

Since Videotex '82, interest has begun to focus more on the U.S. videotex market debate, but it is the marketplace itself—with all its questionable curves, niches and hidden dangers that will choose the winners and losers. It will be some months and perhaps even some years before enough consumers are asked to pay for videotex services that the winners and losers can be discerned. Times Mirror only now is beginning to test price sensitivity in its two California-based videotex tests. And it won't be until next summer that Knight-Ridder's Viewtron gets its first commercial run in three southern Florida counties.

It takes 20 years

According to a report issued in March 1982 by the Institute of the Future, home-based shopping, banking, messaging and other electronic services "may well have an impact on many aspects of daily life as well as on the services currently provided by society.

"Just as television brought the salesman into the household along with entertainment and information, so widespread penetration of teletext/videotex will bring the home into the marketplace," the report said.

This look into the future only recently has begun to be realized. But videotex and teletext are just a decade old. In 1972, the British first demonstrated teletext, and only in September 1974 were the first teletext systems brought to market trial.

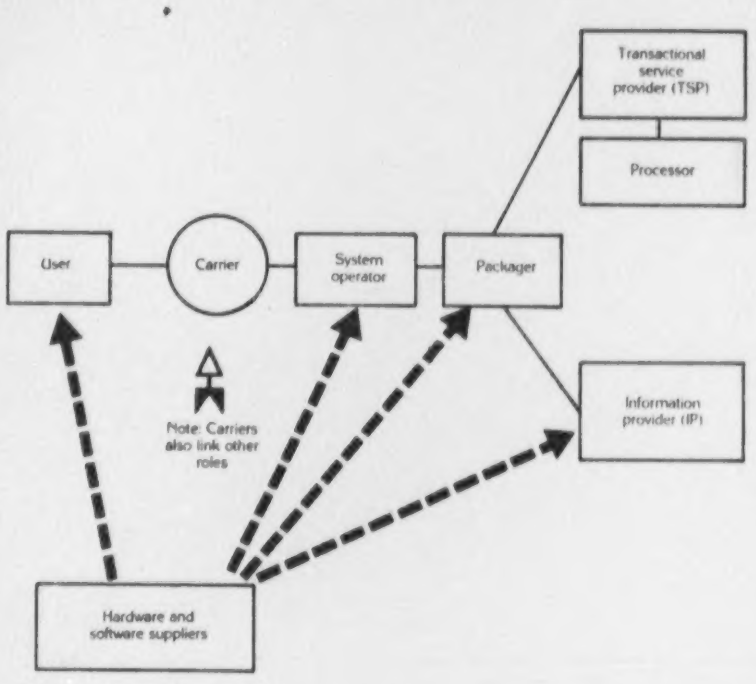
Still, to hear some videotex proponents tell it, the industry is proceeding at a pace consistent with the development of other technological innovations introduced in this century.

Says Videotex Industry Association Chairman Larry Pfister, "If you look at any new technology, it takes 20 years for it to mature. This is true for both television and cable. And if you figure that viewdata—or videotex—is about 11 years old, we should see it become a reality in this decade."

John Wicklein, author of *Electronic Nightmare—The New Communications and Freedom,* believes that a market for two-way catalog sales and electronic funds-transfer will arrive by 1990 and "in the long haul"—by 2010—will be "a profitable industry."

Industry structure: definition of roles

Basic set of roles and operational linkages (information flows)



Source: CSP international, 1982

'I don't think the systems are "user-friendly" yet. They weren't put together with humanity in mind.'

John Wicklein, author, 'Electronic Nightmare'

But Wicklein also suggests that it will take about 30 years before our society switches to "electronic newspapers," unless there is a "drastic reduction" in computer time costs.

If computer costs do fall in the next several years, that is likely to stimulate a demand for computer-based interactive home information and entertainment systems. This will make the recent boom in personal computers seem small by comparison. If that scenario becomes a reality, Wicklein and others believe it is also likely that videotex and teletext systems will come into their own.

As consumers get used to using personal computers to play video games, for example, they will develop a desire to use computer-based systems for other services, such as classified ads or information, Wicklein says.

But there is one caveat—the humanity of the systems being developed and offered.

"I don't think the systems are 'user-friendly' yet," Wicklein comments. "I don't think the systems today were put together with humanity in mind."

Red Burns, director of the Alternative Media Center at New York University, agrees with Wicklein. Burns directed the development of the center's teletext project last year with WETA in Washington, D.C. She says current systems don't pay enough attention to design.

"You don't learn by hiring consultants," Burns chides. The systems that will work, she says, will work because they have the user in mind. "People have to get used to this. It has to be focused. It has to be identifiable."

What will work?

Which systems will profit both suppliers and people? In answering this question, analysts point to the British experience with Prestel, the first commercial videotex service.

Prestel, brought to market in 1979, has been a failure, according to many analysts. Prestel's creators expected to have one million users by the mid-1980s, but so far, they have garnered only 20,000 subscribers, primarily business clients.

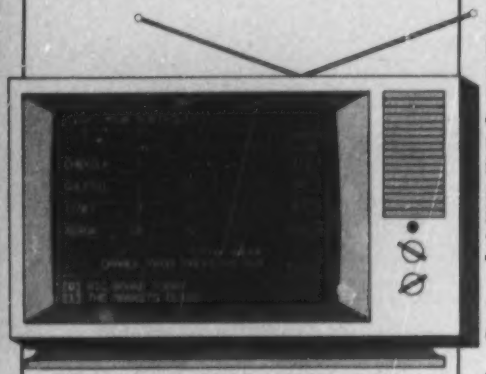
The Prestel experience dramatically highlights the problems with videotex services, the inherent problems that must be overcome in designing a service profitable for both supplier and consumer: content and technology.

Prestel's content was very broad. Nearly every information provider who desired to be part of the systems was allowed in. While Prestel's database was wide and varied, it was also cumbersome and difficult to manage.

In addition, each page of information a user accessed in the Prestel system cost a certain amount of money beyond the monthly service charges. This added to Prestel's total subscriber costs.

"The experience of Prestel shows you have to provide a basic block of services for a specific amount of money. The cost per page is too much," contends Wicklein.

Most U.S. videotex experimenters believe that an "integrated" system, providing everything from home banking and shopping to exact line-by-line replications of daily newspaper stories, is the most viable



Videotex and teletext's uses are sometimes financial (Time's teletext stock portfolio),. . .

videotex model for financial profit and human benefit. To one degree or another, most of the major U.S. trials, including those of Times Mirror, CBS, Knight-Ridder and Time Inc., use an integrated model.

The premise of the integrated model concept is that each consumer will find a few items on a whole "menu" of services that appeal to him and therefore will buy the entire service to get at these selected parts.

Says Steven Weissman, analyst with International Resource Development, "No one piece of information will make or break videotex. But a mix of services, designed for a specific market, will be needed. More than anything else, they (suppliers) will have to figure out what people in the community want and then find a price. Think of it like a cable tier. You want people to use it, so they have to be able to positively answer the question, 'What's in it for me?' You have to make people feel the service is for them."

Adds Hadassa Gerber, senior vice president for McCann-Erickson and a member of the VIA Board of Directors, "The U.S. tests have a better market chance than European tests had because they are more consumer than technology driven. Even the worst tests in the U.S are asking, 'How do we make money?'"

Gerber feels the development of several different tests in this country will enhance the chances of videotex and create greater consumer awareness in the process.

Despite the feelings of Weissman, Gerber and others, some analysts challenge the integrated services concept.

Mark Kriss, research manager for The Yankee Group's Home of the Future Planning, says "most" current videotex efforts are "misdirected."

Based on early trials, Kriss says, there is no evidence to suggest that information is driving the videotex market. The Yankee Group believes that by offering specialized entertainment services, such as telegambling and sophisticated interactive games, money can be made by videotex suppliers. But integrated services, especially telephone-based services, are "obsolete."

Kriss maintains that Knight-Ridder's Viewtron, CBS' Venture One and other tests are "too visionary. They are based on two obsolete assumptions: that a new terminal is needed in the home and that banks and retailers will drive the systems."

'Not everybody thinks and feels the same way. When respondents were asked to build their own bundle of services, well over 80 different combinations were suggested.'

Arnold Reymer, president, Reymer and Gersin

The home terminal is already there, insists Kriss. It's called the personal computer. Kriss predicts that 15 percent of the population will own a personal computer by 1985. And, he adds, the banks and retailers he's talked to are "going their own way." Retailers, says Kriss, are moving into "video shopping arcades" and looking at cable's direct marketing potential, not towards integrated videotex systems.

But Gary Arlen says "it's too early to tell" if integrated services will make it in the marketplace, because for now "it's working both ways."

Arlen agrees that entertainment is what has driven the new technologies and entertainment also will drive videotex but only so far. "At a certain point, the market will have to be pulled along, and I believe teleservices (such as banking and shopping) are the real pull," Arlen argues.

Michael Tyler, president of CSP International, a market research firm that has done a substantial teletext and videotex study, also believes that "in their present form," current services are "limited." However, Tyler also says "there is no doubt that there is a market" for videotex.

Some 100,000 people currently pay for videotex-like services in the U.S., subscribing to Dow Jones Information Retrieval Service, CompuServe, The Source, etc., "even though they are imperfect," Tyler points out.

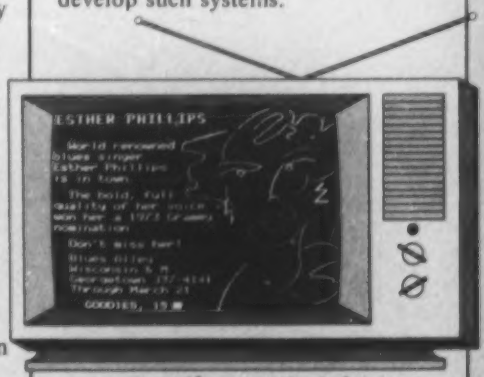
And in Britain, as of November 1982, there were 640,000 teletext users, up from 200,000 in just two years.

Tyler sees the marketplace as divided in terms of financial burdens. Four major groups will divide potential revenues:

- **System carriers:** the companies providing the mechanisms for moving the information. These carriers can be telephone or cable companies or broadcasters for teletext.
- **System operators:** the companies running the companies like Knight-Ridder, Times Mirror, CompuServe, etc.
- **Packagers:** the companies putting the bits of information into distinct services for information not viable on its own. These companies include HomeServ and Viewmart in the consumer market and Mead/Nexus in the business market.
- **Information providers:** those companies with information or services to sell.

Tyler is uncertain of how the money will be divided between the four groups. That depends on the "bargaining power" of each participant, he says.

Tyler also analyzes the "vertical integration" question differently than some others do. He says vertical integration, where one company controls the information, carriage and packaging of a service, has come about "because somebody has to do it," not because integration is the most cost-efficient way to develop such systems.



. . . sometimes entertainment-oriented (an ad on AMC/NYU's Washington, D.C., experiment), . . .

During this decade, Tyler sees specialized roles developing. We will move from today's phase where operators and packagers are partners—as in the Knight-Ridder/AT&T and CBS/AT&T tests—to an era where more specialized, regional and local information packagers enter the scene and exert influence. This is something also suggested by International Resource Development's Weissman.

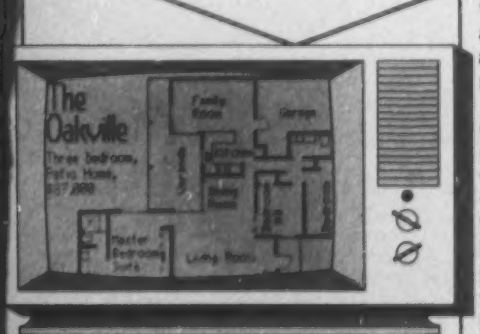
Around 1990, Tyler says, there will be specialized packager groups providing services like games. This is something already advocated by The Yankee Group.

According to Mark Plakias, director of research for Link Resources, another market research company, 1990 is the year the demand curve for videotex will start to rise. The market won't be as large as some have predicted, but it "will definitely be on the way up," Plakias says. Plakias predicts a $2-$3 billion market in 1989, based on a "tight" definition of videotex, which excludes services like CompuServe and Dow Jones.

Like Mark Kriss, Plakias notes that the "single most overriding" issue in developing videotex service models is how much of the resources should go to developing a database. It's very clear from research, Plakias argues, that what people are using most are the least labor-intensive applications of computer-based services—games, community bulletin boards, messaging: services that are essentially "user-created."

What Wall Street sees

One barometer of the potential for videotex is Wall Street. While the cable industry has learned to be wary of Wall Street's sometimes myopic views, a look at how the Big Board watchers view the infant videotex industry can lend a touch of realism to the mix of predictions.



. . . sometimes practical (house hunting via Knight-Ridder's Viewtron), . . .

Wall Streeters looking at videotex typically are examining how the business will affect stock prices. But either because or in spite of this, Wall Street is somewhat favorable toward videotex development.

A report on the industry by A.G. Becker analysts Anthony Hoffman and Barry Kaplan states that "it is at present difficult, if not impossible, to develop financial projections for any proposed service." No one, they write, has a clear picture of how either the technologies or the market for them will evolve. They state, "Many of the corporate players feel compelled to participate out of fear of missing out on something. The current consensus seems to say, 'We don't know what's going to happen, but we want to be there if it takes off.' "

'The current consensus seems to say, "We don't know what's going to happen, but we want to be there if it takes off." '

Anthony Hoffman and Barry Kaplan, A.G. Becker analysts, in a report on the industry.

Hoffman and Kaplan wonder whether TV manufacturers will incorporate decoder chips into their sets, and more importantly, whether consumers will be willing to pay higher prices—which some have predicted could be around $50 to $100—for teletext-ready sets. Another question is whether full channel cable-transmitted teletext or videotex will "leap frog" broadcast teletext.

Despite their questions, most Wall Street analysts believe that cable television could benefit from videotex within this decade. But they add that these services will not have a dramatic effect on cable's revenue stream. Not just yet.

Ellen Sachar, vice president at Goldman Sachs, in a speech before a newspaper group in September, said that consumers would be more willing to pay to shop or bank at home on a transaction or per-use basis than on the monthly packages proposed by some testers. It was her view that the telephone system, however divested, would be in a "better position" to handle this business than newspapers, broadcasters or cable operators.

. . . and sometimes frivolous (Times Mirror's Videotex America space game).

But Donaldson, Lufkin & Jenrette analyst Dennis Leibowitz has written that there are "pluses and minuses" for both cable and telephone companies in videotex. Telephone's universal penetration and its dedicated lines are its big advantages, while cable's are bandwidth and costs, Leibowitz says.

Regardless of the arguments for cable or telephone-based systems, the important issue is whether videotex is economically feasible, he adds. "As a free-standing product costing consumers $25 to $40 a month—the usual predicted range of mandatory charges—the question is a very serious one," he writes.

Liebowitz says the videotex market will not materialize until the second half of the 1980s. He adds that cable will get some of the market, and it will "add meaningfully" to industry income but it will not be an "overwhelming income provider."

Showdown: cable vs. telco

While they recognize the importance of the cable versus telco debate, analysts seem divided on the question. Many say it will finally depend on each market and each service.

Hadassa Gerber says a "first come, first served" marketplace will operate and that the first service, whatever its merits, will typically win. She compares this to cable's problem of dislodging established STV providers in certain marketplaces.

"People are reluctant to change," the ad executive comments. "There are many different markets out there. Broadcast teletext will serve one function, telephone videotex, cable teletext and information on personal computer other markets.

However, they are not mutually exclusive."

Mark Kriss believes that cable, if it continues to use an entertainment model, has the advantage over telephone-based systems. "Cable is entertainment based, and videotex through the telephone must be offset upfront by a $600 to $800 converter cost. Telephone can do some things that cable also does, but it can't tie into video programming."

Kriss says the "real role" for telephone-based services is to address the personal computer market. "Viewtron etc., has to become more of a time-sharing company, more like CompuServe, with network gaming, messaging and bulletin boards."

Link's Mark Plakias says cable's eventual role will be in distribution, not in packaging. This is similar to CSP International's scenario. In the 1990s, Plakias says, MSOs will begin to recognize that they don't have to "shoulder the costs" of providing converters and will be able to change to the more profitable role of distributor. AT&T, he suggests, will not be in the converter market either, but will settle for the role of "interconnector," much like the "gateway" systems in Europe—connecting individual systems together by means of large computers.

How many markets

Tangled up with the debate over the delivery mode of videotex is a question of the size, scope and direction of the marketplace. Many analysts suggest that there are several distinct videotex marketplaces. These analyses are borne out by consumer research.

Research conducted by Reymer and Gersin, a Michigan-based research company, found that a "substantial market for videotex services on cable exists," according to company President Arnold Reymer.

Reymer also discovered that "it's not one big market out there. Not everybody thinks and feels the same way. When respondents were asked to build their own bundle of services they wanted, well over 80 different combinations were suggested."

In fact, Reymer said at Videotex '82, there may be "two, three or more distinct markets for videotex, even within the same city."

Reymer and Gersin's *National Electronic Home Services Test*, a special half-hour TV program broadcast in 17 different markets, which tested the reactions to videotex services of 7,000 potential consumers, had mixed responses.

'There are many different teletext, videotex and personal computer markets out there. They are not mutually exclusive.'

Hadassa Gerber, senior vice president, McCann-Erickson

'Telephone can do some things that cable does, but it can't tie into video programming.'

Mark Kriss, research manger, Home of the Future Planning Service, The Yankee Group

According to the study's findings, 23 percent of respondents liked some information services but were unsure about transactional services. Another 24 percent "loved" transactional services but not information services. Only 17 percent disliked all services and only 19 percent loved all services. An equal percentage (17 percent) were "so-so" about all services.

It seems that the only way to determine what people will accept or reject in videotex—like soap—is to manufacture a product and put it out on the market. And no matter how "imperfect" today's models are, they will be the ones consumers will be confronted with. These tests will prove how deep, wide or fickle the videotex market is. The next question is, will it play in Peoria?"

The first videotex "Peorias" are already here. Keyfax, a teletext service delivered over the VBI Atlanta superstation WTBS, is now being marketed, albeit very slowly. Next summer Knight-Ridder will unveil the first commercial application of Viewtron in three south Florida counties. And also within a year, if the FCC finally gives a thumbs up, CBS and NBC will start to deliver commercially broadcast teletext services.

Analysts suggest that a combination of subscriber, transactional and advertising revenues will have to be generated to successfully start the videotex revenue stream flowing. Eventually, however, analysts say that only specialized information and a few transactions will be funded by subscribers. Advertisers and information providers will have to supply the main source of revenues.

Mark Kriss of the Yankee Group maintains that what consumers pay is not important. What's important is "how much they churn."

Gary Arlen believes that changes in society will create the videotex market. He maintains that the growing number of single-person households, shrinking family size and the greater devotion to useful leisure time will "accelerate acceptance of teleservices." He also says that children now growing up in homes with computers will be the main teleservice buyers in the 1990s.

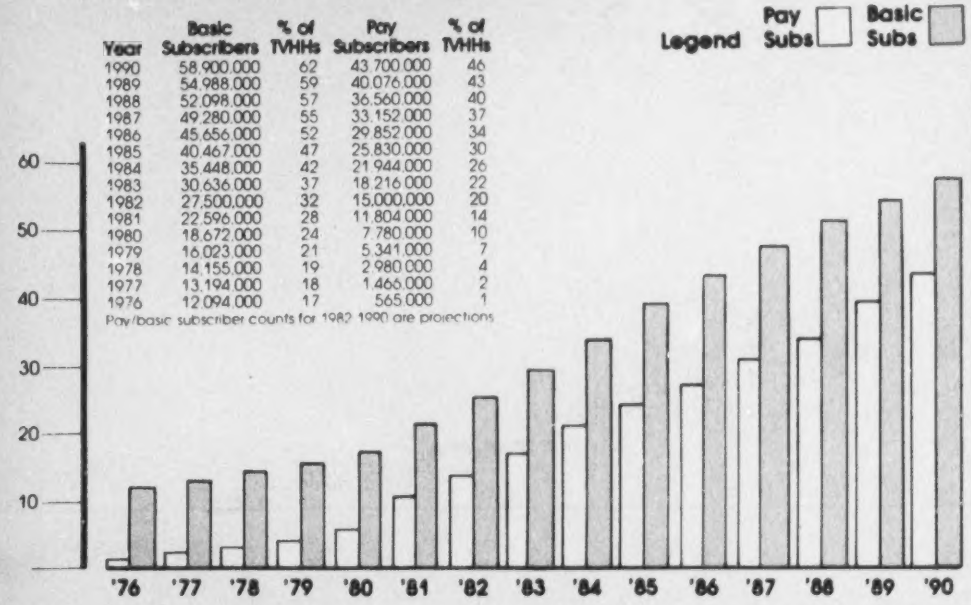
According to Link's Mark Plakias, "In one sense we are engaged in a very massive self-fulfilling prophesy. At a certain point you don't care who subscribes, as long as they write you a check." ■

Cable stats

Pay/basic cable growth

Year	Basic Subscribers	% of TVHHs	Pay Subscribers	% of TVHHs
1990	58,900,000	62	43,700,000	46
1989	54,988,000	59	40,076,000	43
1988	52,098,000	57	36,560,000	40
1987	49,280,000	55	33,152,000	37
1986	45,656,000	52	29,852,000	34
1985	40,467,000	47	25,830,000	30
1984	35,448,000	42	21,944,000	26
1983	30,636,000	37	18,216,000	22
1982	27,500,000	32	15,000,000	20
1981	22,596,000	28	11,804,000	14
1980	18,672,000	24	7,780,000	10
1979	16,023,000	21	5,341,000	7
1978	14,155,000	19	2,980,000	4
1977	13,194,000	18	1,466,000	2
1976	12,094,000	17	565,000	1

Pay/basic subscriber counts for 1982-1990 are projections



Cable barometer

Television households (TVHH) 82,100,000

Homes passed by cable (HP) . 45,310,421

Percent of TVHH passed by cable 55.2%

Basic cable subscribers .. 26,991,845

Percent of TVHH with basic cable 32.9%

Percent of HP with basic cable 59.6%

Pay cable units 14,550,000

Percent of TVHH with pay cable 17.7%

Percent of HP with pay cable 32.1%

Percent of basic subs with pay cable .. 53.9%

Figures are as of October 1982

Film product comparison—November

Film	Pay Networks					Distributor
A Challenge for Robin Hood		ST*			(C)	Warner Bros.
A Christmas Carol		ST	TMC		C	Gold Key
A Clockwork Orange					C*	Warner Bros.
A Dangerous Friend					C	Warner Bros.
A Global Affair		ST			(C)	MGM/UA
A Life of Her Own		ST				MGM/UA
Across the Great Divide			TMC			Simcom
Airplane		ST	(TMC)		(C)	Paramount
All That Jazz	HBO					20th Century-Fox
All the Fine Young Cannibals		(ST)		(HTN)	C	MGM/UA
All the Marbles	(HBO)	(ST)	(TMC)		C	MGM/UA
Allegro Non Tropo					C	Atlantic
Altered States		ST*	(TMC)			Warner Bros.
American Wilderness	HBO					Simcom
Animal Crackers				HTN		Universal
Arthur	(HBO)	(ST)	TMC*	(HTN)		Warner Bros.
The Asphalt Jungle				HTN*		MGM/UA
Back Roads		(ST)	(TMC)		C*	CBS
Barry Lyndon				(HTN)	C*	Warner Bros.
Battleground		(ST)			C*	MGM/UA
Belle Starr					C*	Worldvision
Bells are Ringing				HTN*		MGM/UA
The Belt		ST				Andrews/Mitchell
Big Bad Mama					C	New World
Billy Jack					C	Warner Bros.
The Blackboard Jungle				(HTN)	C*	MGM/UA
Blow Up					C*	MGM/UA
Body Heat	(HBO)	ST*	(TMC)			Warner Bros.
The Border	HBO	ST	TMC			Universal
Boys' Night Out		(ST)		HTN*	C	MGM/UA
Breaker Morant			TMC	(HTN)	C*	New World
Brian's Song		(ST)		(HTN)	C*	Columbia
Bring Me the Head of Alfredo Garcia					C	MGM/UA
The Brothers Karamazov				HTN*	(C)	MGM/UA
Buddy Buddy	HBO	ST	TMC			MGM/UA
Carbon Copy	(HBO)				C*	Embassy
Carnal Knowledge		ST			C	Embassy
Cat and the Canary		ST		(HTN)		Universal
Cattle Annie and Little Britches	(HBO)				C	Hemdale
Cattle King					C	MGM/UA
Caveman		ST				MGM/UA
Champion of Death					C	MGM/UA
Chanel Solitaire			TMC			United Film
Cheech and Chong's Nice Dreams		ST	TMC		C	Columbia
Choices			TMC*			Serendipity
Christmas Mountain		ST*			C	Christmas Mountain
The Christmas That Almost Wasn't					C	Cinetel
Chu Chu and the Philly Flash		(ST)	(TMC)	HTN*		20th Century-Fox
Clash of the Titans	(HBO)		(TMC)	(HTN)	C	MGM/UA
Cleopatra Jones and the Casino of Gold					C	Warner Bros.
Confessions of a Pop Performer					C	Columbia
Continental Divide				HTN*		Universal
Corky					C	MGM/UA
Cutter's Way	HBO*				(C)	MGM/UA
The Damned					C	Warner Bros.
Danny				HTN*		Wombat
Don't Cry, It's Only Thunder	HBO		TMC	HTN		Sanrio
Don't Go Near the Water				HTN*		MGM/UA
The Dot and Santa Claus		ST	TMC			Satori
The Drowning Pool				(HTN)	C*	Warner Bros.
Drum					C*	MGM/UA
The Elephant Man		(ST)	TMC	(HTN)	(C)	Paramount
Elvis		(ST)	TMC			Worldvision
The Emigrants					C	Warner Bros.
The Enforcer	(HBO)	ST				Warner Bros.
Enter the Ninja		ST*	TMC*			Viacom
Equus			TMC			MGM/UA
Everthing You've Always Wanted To Know About Sex But Were Afraid To Ask					C	MGM/UA
Eye of the Needle	(HBO)	(ST)	(TMC)		C	MGM/UA
Eyewitness		ST				20th Century-Fox
Falling in Love Again	HBO*	ST	(TMC)			Badish
Father Figure	HBO*					HBO
Fiddler on the Roof		ST	TMC	(HTN)	(C)	MGM/UA
Final Assignment	HBO		TMC			Almi Group
Fists of Fury			TMC			Golden Harvest
Flash Gordon	HBO				(C)	HBO
For Your Eyes Only	(HBO)	(ST)	TMC	(HTN)	C	MGM/UA
The Four Horsemen of the Apocalypse		(ST)		HTN*	C*	MGM/UA
The French Lieutenant's Woman	HBO	ST	TMC			MGM/UA
The Four Seasons	(HBO)		TMC	(HTN)		Universal
Full Moon High			TMC			Orion
Games Girls Play					C	Simcom
The Gathering					C*	Worldvision
The Gathering Part II					C	Worldvision
Gideon's Trumpet			TMC			Worldvision
Gimme Shelter					C	Almi Group
Going Ape	(HBO)	ST	(TMC)			Paramount
Goodbye Emmanuelle		ST*			(C)	Miramax
The Great Adventure	HBO*					Simcom
The Great Muppet Caper	(HBO)				C	AFD
The Gumball Rally				HTN*	(C)	Warner Bros.
Gunn				HTN		Paramount
The Hanging Tree				(HTN)	C	Warner Bros.
Happy Birthday to Me		ST*				Columbia
Harold and Maude		ST				Paramount
Harper Valley P.T.A.					C*	April Fool
Heidi					C	Warner Bros.
Hell's Angels				HTN*	(C)	Universal
The Hideaways	(HBO)	ST*	(TMC)			Telepictures
High Midnight				HTN*		Universal
Home From the Hill					C	MGM/UA
Hondo				HTN	(C)	Batjac
Honky Tonk Freeway					C	AFD
The Howling	HBO*	(ST)				Wescom
Huckleberry Finn			TMC			MGM/UA
Hunted In Holland					C*	Janus
The Hunter		ST*	TMC*		(C)	Paramount

Cable stats

Film	Pay Networks					Distributor
Ice Castles	HBO*	ST*				Columbia
I'll Cry Tomorrow				HTN*	(C)	MGM/UA
Improper Channels		(ST)	(TMC)	(HTN)	C	Crown International
In Praise of Older Women		ST			(C)	Embassy
The Incredible Shrinking Woman	(HBO)	ST*	(TMC)	HTN*		Universal
The Incredible 20th Century				HTN*		20th Century-Fox
The Intruder					C*	S.J. International
Jack and the Beanstalk	HBO			(HTN)		Columbia
Jesus		ST				Warner Bros.
Just Before Dawn		(ST)	TMC*		C	Juniper
King of Kings				HTN		MGM/UA
Knightriders	HBO		(TMC)			United Film
The Last Time I Saw Paris		(ST)		HTN*	(C)	MGM/UA
The Last Word			TMC			Samuel Goldwyn Co.
The Learning Tree				(HTN)	C	Warner Bros.
Legend of the Lone Ranger					C	ITC
Les Girls				HTN*	(C)	MGM/UA
Let's Do It Again					C	Warner Bros.
The Little Prince				HTN*		Paramount
Loophole	(HBO)		(TMC)	HTN*		Telepictures
Looping		ST				Viacom
Love and Money			TMC*			Lorimar
Love at First Sight			TMC			Atlantic
Love is Better Than Ever		ST				MGM/UA
Love Me or Leave Me		ST		HTN*	C*	MGM/UA
Made in Paris		ST		HTN*	C	MGM/UA
March of the Wooden Soldiers	HBO					Prime TV Films
The Marvelous Land of Oz				HTN*		Universal
Massacre at Central High	(HBO)	ST	(TMC)			Viacom
Melvin and Howard		ST	(TMC)			Universal
MGM's Big Parade of Comedy				HTN*		MGM/UA
Modern Problems	HBO	ST	TMC	HTN		20th Century-Fox
Modern Romance		ST				Columbia
Montenegro	HBO	ST*				Atlantic
Monthy Python and the Holy Grail					C*	Almi Group
The Music Man					C*	Warner Bros.
Mystery of the Million Dollar Hockey Puck					C*	Cinepix
Nicholas Nickelby					C	Janus
Never So Few		(ST)		HTN*		MGM/UA
Nijinski			TMC		(C)	Paramount
Nine to Five	HBO	ST*	(TMC)	(HTN)		20th Century-Fox
Nobody's Perfect			TMC			Columbia
North by Northwest				(HTN)	C	MGM/UA
O Lucky Man					C	Warner Bros.
Oh Heavenly Dog	HBO*				(C)	Mulberry Square
Oliver	HBO	ST		HTN		Columbia
Oliver Twist		(ST)	TMC			Warner Bros.
On Golden Pond	HBO					AFD
On the Right Track	(HBO)	(ST)		HTN*		20th Century-Fox
On the Town				HTN	C	MGM/UA
The Optimists				HTN*		Paramount
The Outlaw				HTN*		Universal
The Painted Hills		ST				MGM/UA
Paper Tiger			TMC		(C)	Castle Hill
The Passenger				HTN*		MGM/UA
Penelope				HTN*	(C)	MGM/UA
Pretty Maids All in a Row		ST*				MGM/UA
Quo Vadis		(ST)		HTN*	C	MGM/UA
Race for Your Life Charlie Brown	HBO		TMC*			Paramount
Raggedy Ann and Andy	(HBO)		TMC			Aurora Films
Ragtime	HBO*					HBO
Rascal Dazzle	HBO*					Castle Hill
Return of the Secaucus Seven		(ST)	TMC			Libra
Rock for Kampuchea					C*	Miramax
Rose Marie		ST*				MGM/UA
Sayonara					C	Samuel Goldwyn Co.
Serial		(ST)	TMC*		C	Paramount
Shoeshine					C*	Film Verhuurk
The Shogun Warriors: Dan Guard Ace		ST				Blum Group
Silence of the North	(HBO)	ST		(HTN)		Universal
Silk Stockings				HTN	(C)	MGM/UA
Silver Streak		(ST)		HTN*		20th Century-Fox
Smoky Bites the Dust			TMC			New World
S.O.B.	(HBO)	(ST)	(TMC)		C	Lorimar
So Fine	(HBO)	ST*	(TMC)			Warner Bros.
Soldiers Three		ST*				MGM/UA
Southern Comfort		ST*	TMC*		(C)	Atlantic
Spirit of St. Louis					C*	Warner Bros.
Stir Crazy	HBO		TMC*			Columbia
Stranger in the House	(HBO)	ST				Warner Bros.
Stripes	(HBO)		(TMC)	(HTN)	C	Columbia
Sunday in New York		(ST)			C	MGM/UA
Taps	HBO	ST	TMC	HTN		20th Century-Fox
The Tender Trap				HTN		MGM/UA
Tess	(HBO)	ST		HTN*	C	Columbia
The 13th Day: The Story of Esther				HTN*		Universal
They All Laughed	HBO					HBO
This Is Elvis	HBO	(ST)	(TMC)	(HTN)		Warner Bros.
Three Days of the Condor			TMC*		C*	Paramount
The Three Musketeers			TMC			Robert Pik
Tim		(ST)	(HTN)	HTN*		Satori
Torch Song		ST*				MGM/UA
Tribute					C*	HBO
Trilogy	(HBO)	ST*				Viacom
Twelve Plus One		ST				Ho-Tel
The V.I.P.'s				HTN	C*	MGM/UA
Visions of Christmas Past				HTN		Universal
Viva Las Vegas				HTN*		MGM/UA
The Voyage			TMC			MGM/UA
The Voyage of Tanai		ST				NMD Films
Where the Spies Are		(ST)			C*	MGM/UA
The Wild Geese	HBO*					HBO
Willy Wonka and the Chocolate Factory	HBO*			HTN*		Warner Bros.
Winds of Change		ST				Sanrio
Woodstock					C	Warner Bros.
Zorro, The Gay Blade	HBO			HTN		20th Century-Fox

■ **Cable Network Legend**

HBO—Home Box Office
ST—Showtime
TMC—The Movie Channel
HTN—Home Theater Network Plus
C—Cinemax

■ Networks in parentheses indicate carriage in July, August, September, October and/or November.

■ An asterisk following a network indicates the film is a carry-over from July, August, September, October and/or November.

■ In total, 213 films appear on the December schedules of HBO, Showtime, The Movie Channel, HTN Plus and Cinemax. Of those titles during the last six months (July-December 1982), one film ("For Your Eyes Only") played on all five services, 33 on three and 60 on two services. One hundred and four films are unduplicated.

■ The motion picture distributor to pay cable with the most titles featured this month is MGM/UA with 56, followed by Warner Brothers with 28 and Universal with 14. Starting this month, films distributed by Cinema 5 will be listed as Almi Group.

■ "Taps," the controversial military school drama starring Timothy Button lands on four of the five program guide covers this month (HBO/Cinemax, Showtime, TMC and HTN Plus). Runner-up on December cover space: "The French Lieutenant's Woman" (Showtime, HBO/Cinemax and TMC). TMC also has "Modern Problems" and "Buddy Buddy" featured. "Modern Problems" can be found as well on HBO/Cinemax's guide. HBO's cover highlights the exclusive run of "On Golden Pond," the Oscar-winning family drama itself highlighted by the performances of Henry Fonda (his last movie) and Katherine Hepburn. "On Golden Pond" can also be found on the HBO/Cinemax guide cover.

Top 20 MSOs

Rank	Multiple System Operator	Subscribers
1.	Tele-Communications Inc.[1]	2,200,000 (9/31)
2.	American Television and Communications	2,057,280 (9/31)
3.	Group W Cable	1,809,043
4.	Cox Cable Communications	1,248,879
5.	Storer Cable Communications	1,106,278
6.	Warner Amex Cable Communications	1,100,000
7.	Times Mirror	740,077 (9/30)
8.	Rogers-UA Cablesystems	675,461
9.	Newhouse Broadcasting[2]	666,043
10.	Viacom Cablevision[3]	592,841
11.	Continental Cablevision	563,857
12.	United Cable Television Corp.	522,980
13.	Sammons Communications	512,052
14.	TeleCable Corp.	503,794 (9/30)
15.	Capital Cities Cable	313,172
16.	General Electric Cable Corp.	302,500
17.	Cablevision Systems Development	270,000
18.	Heritage Communications	253,964 (9/30)
19.	Comcast Corp.	265,000
20.	Liberty Communications	245,000

[1]Number is a company estimate; the last official subscriber count is as of 12/81.
[2]Includes MetroVision, NewChannels, Vision Cable.
[3]Includes 40% ownership in NorCal Cable.

Top 20 systems

Rank	Location	Operator	Subscribers	
1.	San Diego, Calif.	Cox Cable	220,836	
2.	Oyster Bay (Long Island), N.Y.	Cablevision Systems	169,448	(9/31)
3.	Manhattan, N.Y.	ATC	166,725	(9/31)
4.	West Orange, N.J.	Maclean Hunter	140,907	(9/30)
5.	Santa Monica (L.A. area), Calif.	Theta Cable	129,807	(9/30)
6.	San Antonio, Texas	Rogers-UA Cablesystems	134,900	
7.	Wayne, N.J.	Rogers-UA Cablesystems	111,432	
8.	Tulsa, Okla.	United Cable	102,163	
9.	Austin, Texas	ATC	98,900	(9/31)
10.	Erie County, N.Y.	Prime Cable	97,032	
11.	Audubon, N.J.	NYT Cable	95,733	
12.	San Jose, Calif.	Gill Industries	92,996	
13.	Tidewater, Va.	Cox Cable	89,288	
14.	Central Islip, N.Y.	Viacom	83,063	
15.	Orlando, Fla.	ATC	82,300	(9/31)
16.	Jefferson Parish/Kenner, La.	Cox Cable	80,160	
17.	Seattle, Wash.	Group W Cable	80,040	
18.	Toledo, Ohio	Buckeye Cablevision	75,418	
19.	Manhattan, N.Y.	Group W Cable	75,246	
20.	Memphis, Tenn.	ATC	73,400	

Note: Subscriber counts for MSOs and systems are as of 10/82 unless noted otherwise.